Before the Federal Communications Commission Washington, DC 20554

| In the Matter of |) | |
|--|---|----------------------|
| Connect America Fund |) | WC Docket No. 10-90 |
| A National Broadband Plan for Our Future |) | GN Docket No. 09-51 |
| Establishing Just and Reasonable Rates for Local Exchange Carriers |) | WC Docket No. 07-135 |
| High-Cost Universal Service Support |) | WC Docket No. 05-337 |
| Developing an Unified Intercarrier Compensation Regime |) | CC Docket No. 01-92 |
| Federal-State Joint Board on Universal Service |) | CC Docket No. 96-45 |
| Lifeline and Link-Up |) | WC Docket No. 03-109 |
| Universal Service Reform – Mobility Fund |) | WT Docket No. 10-208 |

REPLY COMMENTS OF THE NATIONAL ASSOCIATION OF TELECOMMUNICATIONS OFFICERS AND ADVISORS, THE NATIONAL ASSOCIATION OF COUNTIES, THE NATIONAL LEAGUE OF CITIES, AND THE UNITED STATES CONFERENCE OF MAYORS IN RESPONSE TO THE FURTHER NOTICE OF PROPOSED RULEMAKING

The National Association of Telecommunications Officers and Advisors ("NATOA"), ¹ the National Association of Counties ("NACo"), ² the National League of Cities ("NLC"), ³ and

¹ NATOA's membership includes local government officials and staff members from across the nation whose responsibility is to develop and administer communications policy and the provision of such services for the nation's local governments.

² NACo represents county governments, and provides essential services to the nation's 3,068 counties.

The United States Conference of Mayors ("USCM")⁴ (collectively, "Commenters") submit these reply comments in response to the Report and Order and Further Notice of Proposed Rulemaking ("FNPRM"), released November 18, 2011, in the above-entitled proceedings.

I. INTRODUCTION

Commenters wholeheartedly agree with the Commission's conclusion that "fixed and mobile broadband have become crucial to our nation's economic growth, global competitiveness, and civic life." We has long-advocated for increased broadband deployment and adoption and we hope that the changes the Commission is bringing to the Universal Service Fund ("USF") and the intercarrier compensation ("ICC") system through this Report and Order will, indeed, help "make broadband available to all Americans."

However, more needs to be done to bring advanced communications services to all of our communities. As we have previously pointed out to the Commission, there are areas in our country that, for whatever reason, simply do not provide a sufficient return on investment necessary to encourage private investment for the provision of, or the upgrades to, these services. Some communities have sought to fill this void through the build-out of community or other locally developed broadband networks. Indeed, "smaller, community-driven networks . . . may be better equipped to address broadband needs of remote areas, offering more localized solutions

³ The NLC serves as a resource to and an advocate for the more than 19,000 cities, villages, and towns it represents.

⁴ The USCM is the official nonpartisan organization of cities with populations of 30,000 or more. There are 1,192 such cities in the country today. Each city is represented in the Conference by its chief elected official, the mayor.

⁵ In the Matter of Connect America Fund, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45; WT Docket No. 10-208, Order and Report and Further Notice of Proposed Rulemaking (rel. Nov. 18, 2011) ("FNPRM") at ¶ 3.

 $^{^{6}}$ *Id.* at ¶ 11.

that can connect residences as well as businesses, schools, hospitals, libraries, and other anchor institutions in a community."⁷

The Commission has recognized the role that these community and local networks can play in achieving increased broadband deployment and adoption. Indeed, recommendation 8.19 of the National Broadband Plan states that "Congress should make clear that state, regional and local governments can build broadband networks" since these networks are typically built where no private providers are willing or able to offer the services necessary to meet local needs. In addition, because such networks may offer the most cost-efficient services available, the Commission, in its recent E-rate order, determined that eligible schools and libraries could receive E-rate support for the lease of lit or dark fiber from any entity, including "regional, state, and local government entities or networks."

Unfortunately, many of these public efforts face fierce opposition from private providers. For this reason, NATOA strongly supports the proposal advocated by the New America Foundation's Open Technology Initiative, Public Knowledge, and Benton Foundation ("Public Interest Commenters") that Connect America Fund ("CAF") recipients "be required to make interconnection points and backhaul capability available so that unserved high-cost communities could deploy their own broadband networks." Further, we support their additional proposal that the Commission "create a fund for a Technology Opportunities Program in order to assist communities with deploying their own broadband networks."

⁷ See New America Foundation's Open Technology Initiative, Public Knowledge, and Benton Foundation Comments, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45; WT Docket No. 10-208, at 3 (January 18, 2012).

⁸ FNPRM at ¶1029.

⁹ FNPRM at ¶1030.

II. DISCUSSION

A. Interconnection Obligation

We agree with other commenters that interconnection obligations would encourage the deployment of advanced services to unserved communities. ¹⁰ Such obligations could encourage competition in high-cost areas, leading to more consumer choices in services and plans. Indeed, interconnection obligations would provide access to critical network infrastructure, permitting potential providers to service smaller broadband markets.

For example, interconnection obligations could have helped rural Trinity County in northern California. With a population of only 14,000, one county school had to put up with expensive and spotty satellite Internet service, even though AT&T runs a fiber line through the county to connect major cities to the north and south. But the company wasn't interested in serving the county. And when a local broadband provider approached AT&T about tapping into its line to provide service to the county, it was turned down. As one industry official said, there's no financial interest in serving rural communities and those "markets get left behind." ¹¹

In addition, interconnection obligations present an additional incentive for communities and anchor institutions to provide their own networks. As such, we support the position taken by the Public Interest Commenters that "CAF recipients provide comparably efficient

¹⁰ See Schools, Health and Libraries Broadband (SHLB) Coalition Reply Comments, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45; WT Docket No. 10-208 (February 17, 2012).

¹¹ Laura Sydell, "County Stuck In Information Superhighway Slow Lane," NPR, *available at http://www.npr.org/templates/story/story.php?storyId=124703744*.

interconnection ("CEI") to essential networking facilities to self-provisioners as they offer to themselves."¹²

B. Technology Opportunities Program

We support the creation of a funding program that could assist communities with deploying their own broadband networks. Indeed, a lack of funding may act as a barrier to broadband deployment in some underserved communities. The creation of a funding mechanism for community and local networks could help alleviate this problem. In the past, similar funding programs, such as the National Telecommunications and Information Administration's ("NTIA") Technology Opportunities Program ("TOP") successfully provided start-up funds to help connect communities with the Internet. And currently, NTIA's Broadband Technology Opportunities Program ("BTOP") is providing funding to bring high-speed broadband services to rural and other hard to reach areas of the country. Both these programs provide government seed money to be used at the local level to solve local problems. A similar program created by the Commission using CAF monies for local infrastructure investment would be an effective way to help accomplish the Commission's stated goal of providing affordable broadband services to all Americans.

For example, a new funding source could be used to provide badly needed advanced communications services to poorly served tribal communities, such as the Karuk tribe in Orleans, California. A lack of connectivity in the community adversely affects not only economic growth and educational opportunities, and, more importantly, the residents' health and safety. While the

¹² *See* New America Foundation's Open Technology Initiative, Public Knowledge, and Benton Foundation Comments, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51; CC Docket Nos. 01-92, 96-45; WT Docket No. 10-208, at 8 (January 18, 2012).

community recognizes that federal assistance cannot solve all its problems, "[W]e need to have the opportunities. We need to have that chance." 13

III. CONCLUSION

The success of the Commission's reforms to the USF and ICC systems will be measured, in part, by how these reforms result in increased availability of affordable broadband service to all Americans, regardless of where they reside. Imposing interconnection obligations and establishing a fund for local infrastructure investment are simply two more steps the Commission can take to make this goal of a reality.

Respectfully submitted,

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¹³ Laura Sydell, "FCC Eyes Broadband For Indian Reservations," NPR, *available at* http://www.npr.org/templates/story/story.php?storyId=128004928.